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INFORMATION REPORT

PREPARED AND DISSEMINATED BY

CENTRAL INTELLIGENCE AGENCY

COUNTRY

Guatemala

SUBJECT

Rumored Coup d'Etat Against Castillo Armas by
1 Feb 55

Contact: DIO 11th ND AF 40038

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The Office of Naval Intelligence furnished the following information to CIA
for IAC dissemination in accordance with paragraph 3(c), NSCID 7. (DIO-11ND
Secret report No. 1-S-55)

1. Elements Opposing President Castillo Armas:

- a. Ill-feeling in the Army. Approximately thirty regular colonels on active duty in the Guatemalan Army still feel unfriendly toward President Castillo Armas because of their defeat by his ragged forces, this feeling being aggravated by the inclusion of some of these irregulars in the regular Army ranks.
- b. Colonel Elfego Monzon is presently actively supported by three of these colonels; namely, Colonel Antonio Estrada, Colonel Jorge Barrios Solaris, and Colonel Neiderheimer (former Nazi), all three of whom are believed to be pro-Communist in their beliefs and actions.
- c. A fourth colonel, Colonel Enrique Glose DeLeon, Defense Minister, is believed to be an opportunist and may turn against President Castillo Armas in the event of a "putsch" by Colonel Elfego Monzon. Colonel DeLeon is not known to be a fellow traveler.
- d. A fifth colonel, Colonel Rozendo Perez, who is in charge of an area bordering Mexico (?) has reputedly executed two hundred known anti-Communists since Castillo Armas assumed control of the government. Fifty of these were executed at Bananera and fifty more at Tiquisiti; while the remaining one hundred executions were scattered throughout the country.
- e. Martin Prado Velez heads Monzon left wing supporters. While Colonel Monzon is in the background (but is the real leader of the present Communist organization in Guatemala), the active head of his supporters is Martin Prado Velez, Minister of Communications and Public Works. A sister of Prado's wife is married to a Soviet official in Guatemala, Imrich Fischman (a Czech), who receives his orders from one Timberg, who carries a Swiss passport. Timberg is said to be shunned by the Swiss colony of Guatemala as he is a known Soviet courier. Timberg reportedly is paymaster for the Communists using Guatemalan funds deposited in Switzerland. Timberg enters Guatemala from Mexico every six to eight weeks.

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- f. Colonel Elfego Monzon supported also by Pro-Nazi element. The pro-Nazi group, headed by one Enrique Engel, is presently supporting Colonel Elfego Monzon and the Communists. Enrique Engel's son, Freddy Engel, together with Enrique Viteri, a well-known Communist, under the orders of Arbenz, during the revolution, burned the house of Colonel Miguel Mendoza, who is now Army Chief of Staff, and blamed it on bombs dropped by planes used by Castillo Armas. Freddy Engel was arrested and held for trial by Castillo Armas, but was released through the intervention of Colonel Elfego Monzon and has since left the country.
- g. Further Information. It is believed that the supporters of Elfego Monzon have a strong enough position to accomplish a successful coup d'etat, leaving Castillo Armas as president but elevating Monzon and replacing most of the existing government officials. The US reputedly views Elfego Monzon with some favor at the present time, and thus might not express any disapproval, particularly if Castillo Armas remains as a figurehead.
- h. Of the five hundred known Communist Party members and fellow travelers who were arrested, all have now been released without formal hearings and their possessions restored; supposedly due to the efforts of Elfego Monzon and Martin Prado.

2. Links between Arbenz, Monzon, and Prado:

- a. Under Arbenz' regime, a new hydro-electric project was started, the US lending fifty million dollars for the purpose. A firm was formed to handle the project and pocket the profits accruing thereto. The founders were Monzon, Prado, Toriello (a Communist who made one million dollars in a questionable transaction from an exposition held under Arbenz' regime), Jorge Eschevarria Lizzaralde, and Lic. Federico Bolz'Bennett, who held Arbenz' power of attorney, since Arbenz could not tie himself into the firm publicly. Rolz'Bennett's brother, Jose, was an instructor in the Arbenz Communist School. Once the US was committed to the loan, fault would be found with the equipment to be furnished and cheaper German equipment would be substituted and the difference would be pocketed. One Jorge Bennett was to handle the German bids.
- b. Federico Rolz'Bennett was arrested and his possessions seized by Armas, but he is now free and all his property has been restored.

3. General Information:

- a. Two of the assassins of Colonel Javier Arana, Arbenz' opponent for the presidency who was ambushed, are Guillermo H. Palmieri and Alfonso Martinez. The latter still has scars from wounds received in the ensuing battle.
- b. The tourist bureau of Guatemala is headed by Montenegro Sierra who speaks no English. His assistant, Jorge Luna, thus becomes the real head of the bureau with most of the tourists and is a professed Communist.
- c. One Antonio Cereza was an instructor at the Arbenz Communist School.
- d. Wyman, Arbenz' brother-in-law, took two million dollars for Arbenz from the Agrarian Bank during the height of the revolution while Marco Antonio Ramirez, head of the bank, passively assisted. Ramirez was arrested but has since been released and restored to his former possessions and position.
- e. The Arbenz Communist School referred to in previous paragraphs is believed to be located across the street from the palace in close proximity to the Mexican Embassy. Several members of the Guatemalan government under ex-President Arbenz are believed to have received instruction there.

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